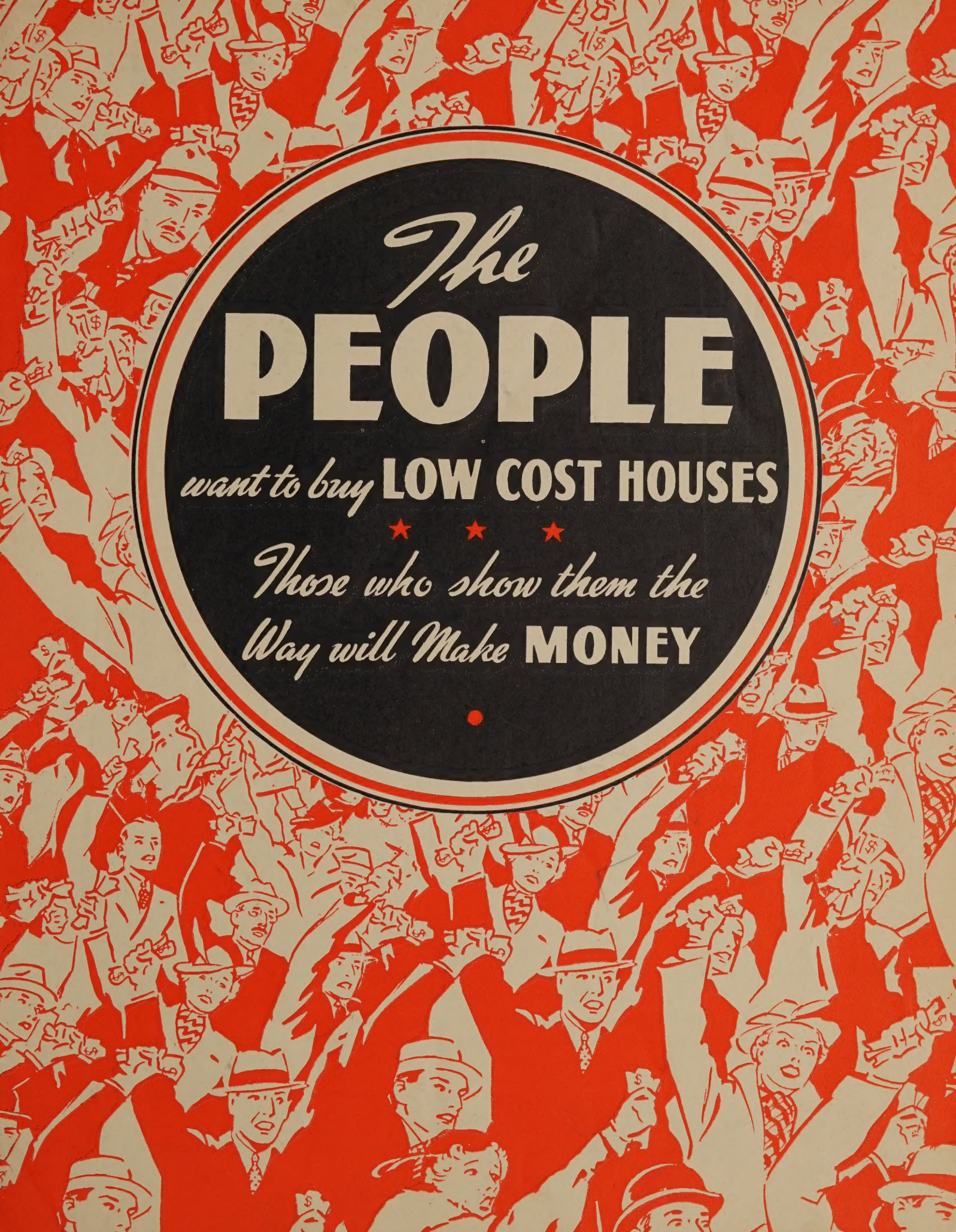

The
PEOPLE
want to buy LOW COST HOUSES
★ ★ ★
Those who show them the
Way will Make MONEY

AVERY LIBRARY
COLUMBIA UNIVERSITY

The Big

I D E A

This booklet is an explanation of a program organized to help you sell more building materials through the development of America's tremendous potential market for low-cost dwellings.

The program seeks the construction of over a thousand low-cost demonstration home units in one thousand or more different communities throughout the United States to prove to low income families that the comfort and satisfaction of home ownership is not necessarily reserved for those of greater income.

You, as a lumber merchant who stands to profit through the development of this great market, are being given an opportunity to participate in a National Small Homes Program for 1937 being conducted under the sponsorship of the Federal Housing Administration.

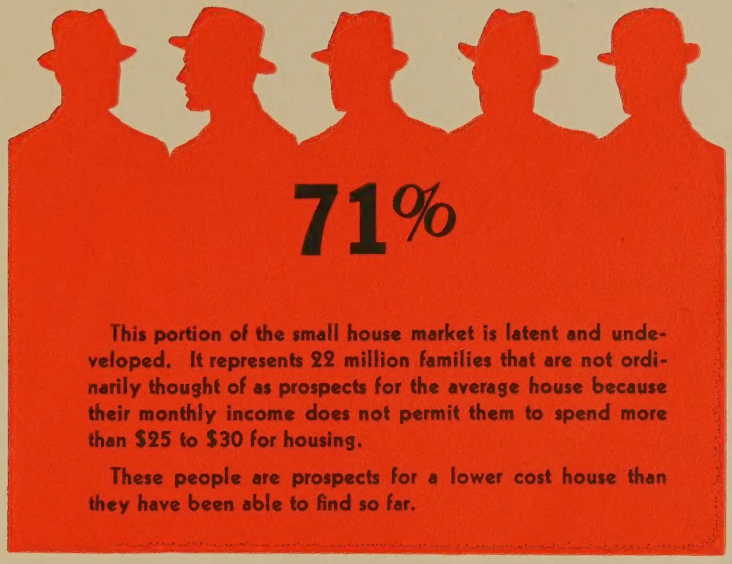
Convinced that the low-cost home field offers a market for building materials three times as great as that commanded in the best days of our greatest building boom, the lumber industry is uniting in cooperation with the FHA Small Homes Program in making the construction of low-cost units as samples for your community as easy for local sponsors as possible.

Read this booklet carefully. It is intended that it shall give you an overall view of a latent market, the tapping of which would make the construction period of the early 20's look like setting-up exercises for the Big Show.

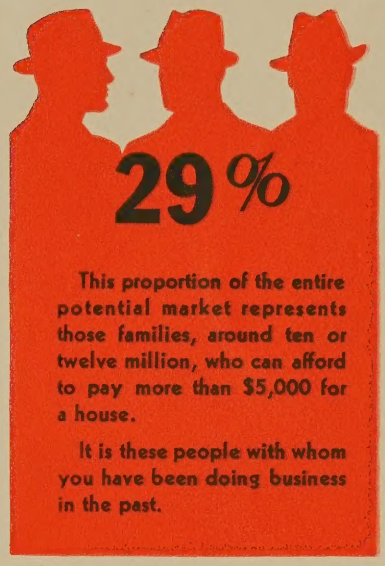
All the help your national organizations can give you in country-wide publicity, chain radio broadcasts, free plans and service are for the lumber merchant who has the foresight to realize that 1937 is the year everybody has been waiting for.

Join the parade, become the sponsor, the originator and the promoter of low-cost individual homes for your community. Remember, the market for $2,000 to $4,500 homes in no way duplicates the clientele you have been accustomed to serve. Every low income family that you influence to build or acquire their own home means just that much more business which you could not have had, had you done nothing.

These families are your untapped potential market


71%
This portion of the small house market is latent and undeveloped. It represents 22 million families that are not ordinarily thought of as prospects for the average house because their monthly income does not permit them to spend more than $25 to $30 for housing.
These people are prospects for a lower cost house than they have been able to find so far.

These families represent the "average" market


29%
This proportion of the entire potential market represents those families, around ten or twelve million, who can afford to pay more than $5,000 for a house.
It is these people with whom you have been doing business in the past.

Research shows that an income of $160 a month is required to buy a $5,000 home. Only one out of three families in the United States has an income of this amount or more.

Since the average for all residential construction in the United States is in the neighborhood of $5,000 per unit, the most elemental logic indicates that the house builders of this country have been doing business with less than one-third of the people.

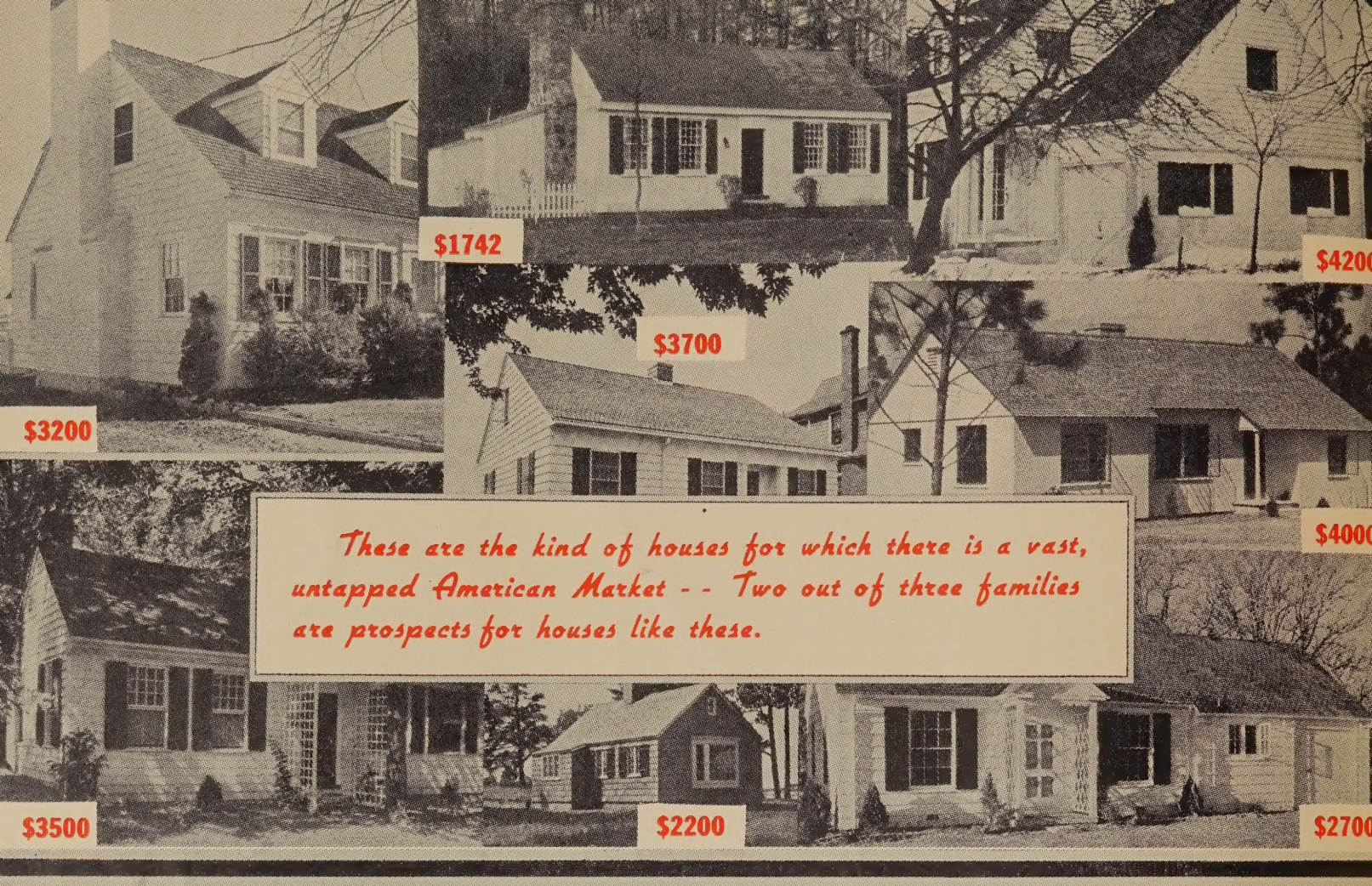
The remaining two-thirds of our people, some 22 million families, have money and they pay out a proportion of their income each month for shelter, but at a rate not quite high enough to acquire a $5,000 house. There is no reason in the world to believe that these people are any less attracted to the pleasures of home ownership than the man who has a few dollars more in his Saturday pay envelope. What then have been the reasons for home builders doing business with only one out of three families?

Why has the $25 per week wage earner who has discovered a low-cost automobile industry waiting to serve him been unable to find a house builder to similarly accommodate with something he can afford? Is it because houses which cost less than $5,000 cannot be constructed? Is it because people will not live in this kind of house? Is it because houses of this price class cannot be financed, or is it because the construction industry as now organized has not provided low-cost housing for the low income groups?

There are too many easy ways of spending money today for people to voluntarily invent new ones. For the woman of the house, who does the buying in America, a home of her own has ten times the appeal of the shiniest new flivver. Unfortunately, she can find no showrooms illustrating homes inexpensive enough for her to buy.

Houses in the $2,000 to $4,500 class are not hard to build, they are easy to finance, and the credit of the average American wage earner who could buy one is as sound as American industry.

For the lumber dealer who will give his material one-half the sales "break" of a new automobile—every American family is a prospect.

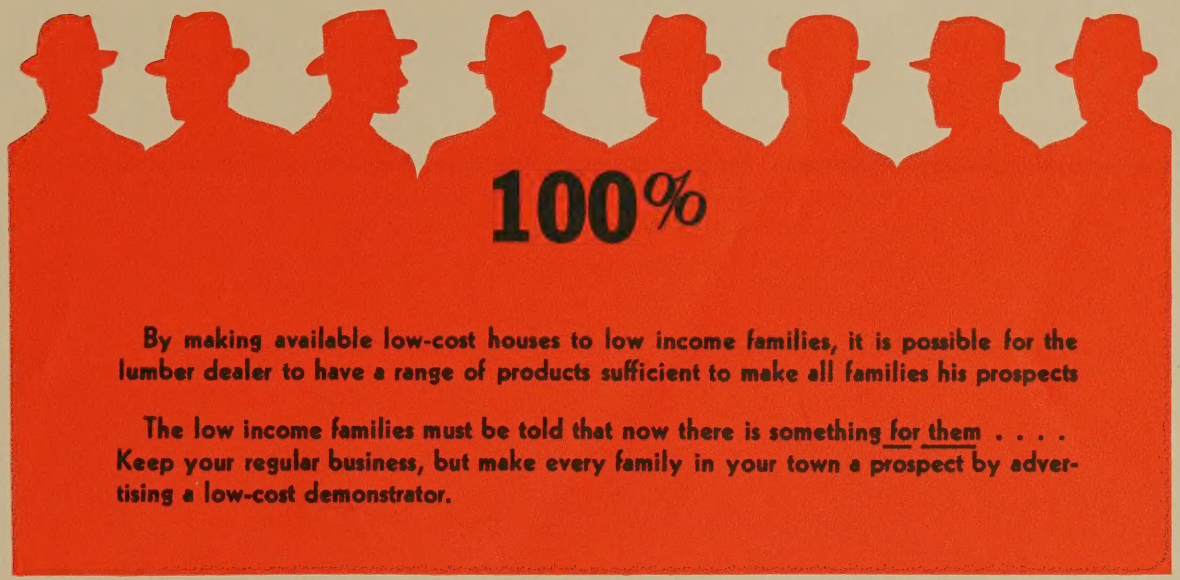


These are the kind of houses for which there is a vast, untapped American Market -- Two out of three families are prospects for houses like these.

Houses of this kind have constituted the bulk of the house market in the past -- But only one family out of three is a prospect for homes like these

Photographs Courtesy Architectural Forum

By Rounding Out Your Line You Can Keep Your Old Business and Add New by Having Something for all of the People


100%
By making available low-cost houses to low income families, it is possible for the lumber dealer to have a range of products sufficient to make all families his prospects
The low income families must be told that now there is something for them . . . . Keep your regular business, but make every family in your town a prospect by advertising a low-cost demonstrator.

You can double your dollar volume of sales by the simple expedient of maintaining intact your present volume of normal building construction material, while assuming the role of a creator of new business in the low-cost house market of your city.

The genuine low-cost house reaches down to a new strata of prospects aside, apart, and in addition to your regular market.

Be in a position to do business with one hundred per cent of the families of your town; make it possible through a 1937 brand of merchandising for any family in your community, whose income is $25 per week or more, to have some kind of a new home.

Make the "little" man a potential home builder . . . do this by doing some of the things which the "little" man has neither the time nor the imagination to accomplish himself. Work things out in A,B,C order, make little houses easy to buy, build some samples, then show the public the results so that anybody who can read a newspaper will understand how he too can start buying a home.

It may be possible to sell houses from blue prints just as one might conceivably sell new cars from shop drawings, but why try? You have several thousand dollars invested in a stock of raw materials for your lumber business . . . . certainly it is good sense to invest something in a physical demonstration of the reasons why people should buy your raw materials.

As things stand today you are trying to sell a new automobile from shop drawings and a pile of steel parts. Join with other lumber merchants and responsible organizations in a campaign to show people what can be done with the material under your lumber sheds.

The big profits of American industry have always come from mass markets.

It may be more interesting and swankier to operate a Fifth Avenue shop than a ten-cent store, but no de luxe establishment of this kind ever built a fortune like that of Frank W. Woolworth's.

Fifty thousand people were not too dignified to buy house trailers in 1936. A $3,000 house is twice the bargain, dollar for dollar, of the best trailer homestead that ever took to the road.

There are 22 million families who would like nothing better than the opportunity to acquire a modest home. This booklet offers you the opportunity to get an inexpensive start.

CAN HOUSE UNITS, FOR WHICH I SELL THE MATERIAL, BE CONSTRUCTED TO MEET THE LOW-COST MARKET IN MY COMMUNITY?

The houses illustrated above sell like hot cakes in the suburbs of one of the highest priced building markets in the world—New York City.

Believe it or not, the three types which are distinctly visible in this picture go on the market at $2,500 for a house with no basement like the middle bungalow, $2,900 if the house has a basement, and $3,250 for the house types shown on the left and right.

Money is made by the people who sell these houses and money is made by the merchants who supply the building materials.

THE ANSWER IS

Yes!

A low-cost unit is not difficult to build in any town. "Low-cost" houses are low-cost because they contain less material more efficiently used, require less labor, and include the essentials of houses, but not all the equipment associated with more expensive types.

A low-cost house does not mean cheap material or shoddy construction. It merely requires efficient design and use of good materials.

People would rather live in a new, clean, small house than rent a ramshackle old one. A new house, no matter how modest, dignifies its owner occupant.

You as a lumber merchant, or you as a lumberman in cooperation with your contractors, builders, real estate men, or carpenters of your community can produce an acceptable house for almost any figure you predetermine.

The promotion of one will be a snowball that rolls up a real wad of orders.

The technique of selling the low priced market is new and different. As the houses are simplified so must the selling be simplified. There is no place in a merchandising program for low price homes for all the devious steps ordinarily associated with individual new home construction.

Low priced homes are designed to appeal to a mass market and they must be sold on mass market merchandising principles, which means that they must be removed as far as possible from the category of custom-built structures.

Low-cost homes should be sold as an item of merchandise. They should be sold from a sample which demonstrates a given structure for a given amount of money on specific terms clearly stated.

Many people who have the means for the purchase of a new home today refrain from the action because of their inability to find a simplified, clear-cut method of purchase. One of the most firmly established principles of salesmanship is the trite expression, "Strike while the iron is hot."

Houses can be sold if they can be seen and if the price and terms are definite enough to make a rapid fire business transaction possible.

Simplified methods based on unit prices known in advance will sell hundreds of thousands of small houses in America.

THE TECHNIQUE OF SELLING THE LOW-COST MARKET IS NEW AND DIFFERENT - - - PROMOTE AND SELL SMALL HOUSES LIKE "MERCHANDISE"

Advertise your price. . . . The first question anyone wants to know before purchasing anything is "How much does it cost?"

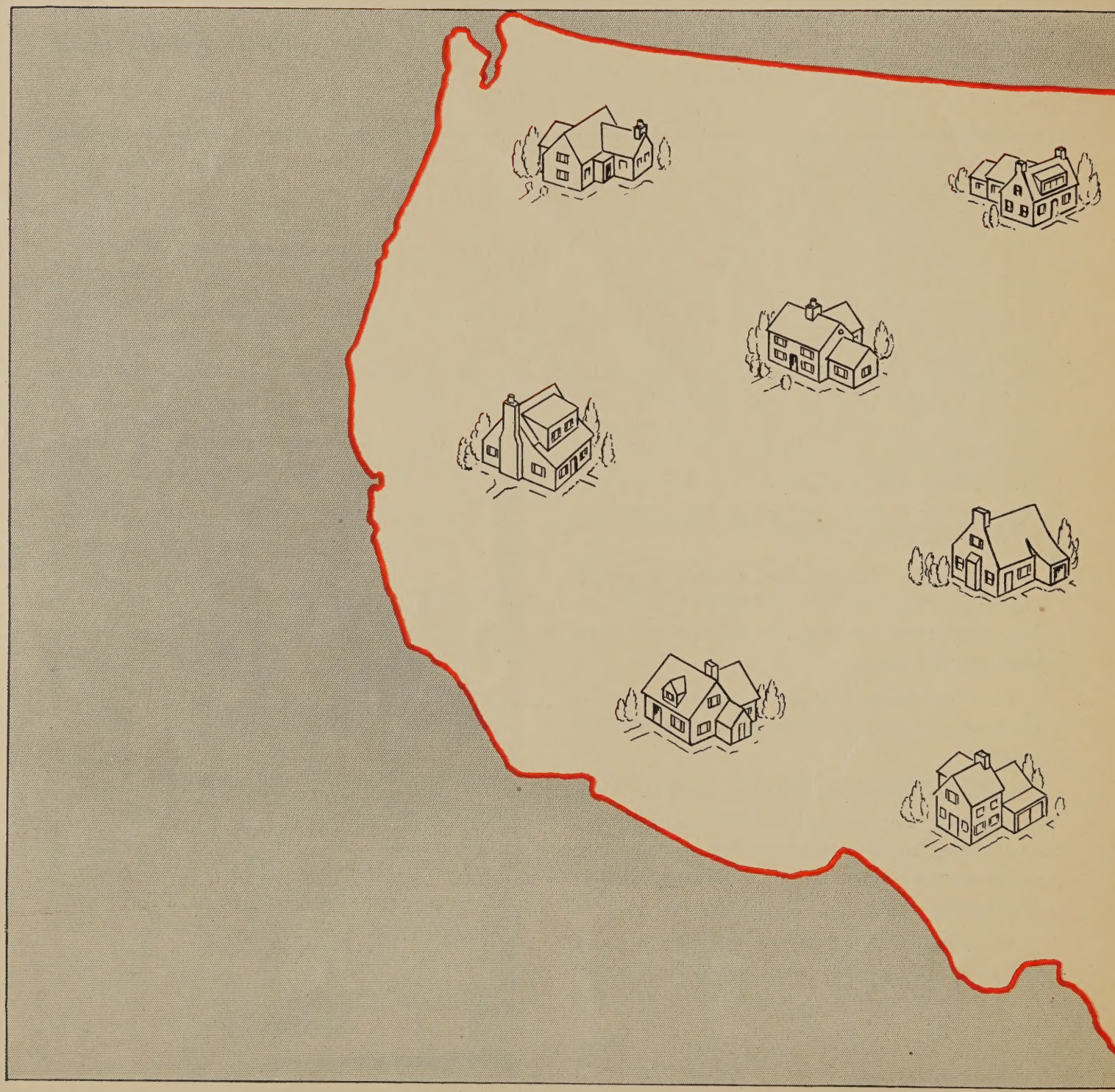
The inability of the building industry to quickly answer the "How much does it cost?" question has been responsible for more loss of business than the high cost of houses.

Show your price, advertise it, use it in the newspaper, advertise the down payment and the cost per month.

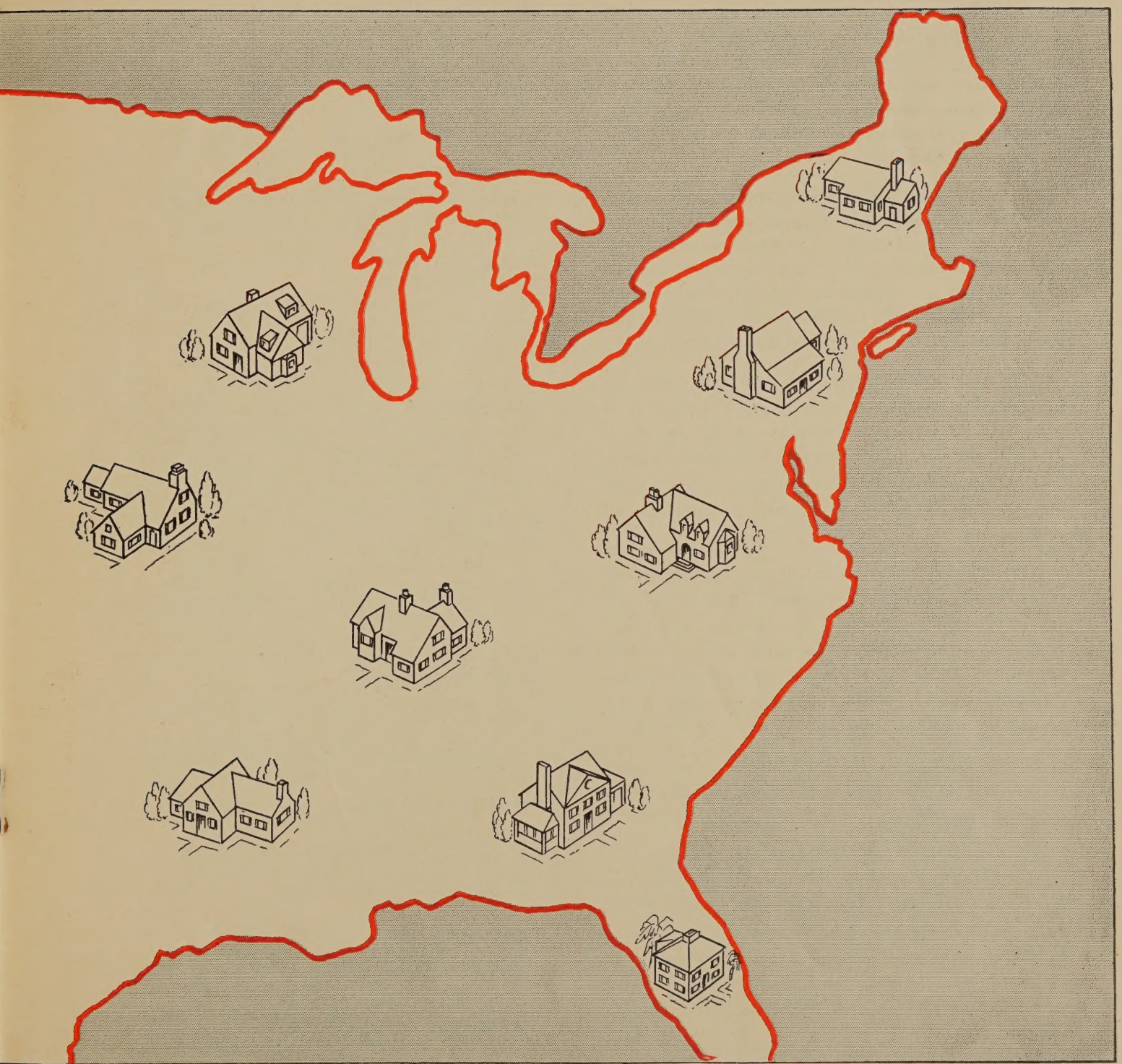
Among the important pieces of equipment which are part of the kit furnished lumber merchants cooperating in the small house demonstration program are ready-prepared advertisements and newspaper mats.

Write your own ads around the mats furnished but, above all, advertise the price of your houses. Make it as easy to buy a new home as a new automobile.

JOIN OTHER LUMBER MERCHANTS WHO
IN A SPECTACULAR, COUNTRY-WIDE, SIMU
COST HOMES THIS SPRING--BUILD DEM



ALSO WANT TO EXTEND THEIR MARKETS
LTANEOUS DEMONSTRATION OF REAL LOW
NSTRATORS--PLANS AND IDEAS ARE FREE



DEMONSTRATE YOUR WARES - - JOIN 999 OTHER LUMBER MERCHANTS IN GIANT NATION-WIDE DEMONSTRATION AND EXHIBIT OPENING MAY 1, 1937

If you are interested in making your 1937 sales volume a great deal better than that for the year just past, be a sponsor of one or more low priced exhibit homes for your community this spring.

Now is the time to build demonstrators. You will have the help of the Federal Housing Administration and of your National and Regional Lumber Associations who are sponsoring similar programs of demonstration building among other lumber merchants elsewhere.

By participating in this program and encouraging other lumber dealers to participate, the cumulative effect of all of the demonstrations and the national publicity and advertising which can be secured for a program of this kind will make a united effort many times more effective than unrelated, scattered individual demonstrations.

It is not necessary that you yourself enter the building business to make a successful exhibit in your city. You may be the leader of the movement in your community who in turn encourages and makes possible the construction of low priced exhibit homes by your customer builders or contractors.

It is not even necessary that any permanent investment be made by anyone to make a highly successful local demonstration. By securing a Federal Housing Administration insured loan a small amount of money will build a low-cost demonstration house, and by selling the structure after it has served its purpose a profit may even be obtained.

The greatest expenditure called for on your part is one of initiative, industry and the desire to increase your building material sales volume.

On pages 10, 11, and 12 of this booklet is a complete outline of the basis on which the program has been organized. Read it carefully. When you have finished, sign the blank under the back cover of the book and mail it in the postpaid envelope. It will bring you the plans and promotional material you need to join in this National Small Homes Demonstration.

DO THESE THINGS

FOLLOW THIS SIMPLE OUTLINE

SIGN THE STATEMENT

Sign and mail in self-addressed envelope statement of your intention to build demonstration houses and promote them.

REQUEST YOUR KIT

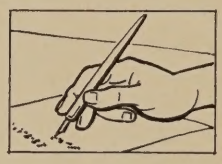
Secure your kit of materials which includes sample plans, specifications, material list and advertising data. (Free)

MAKE BUILDING ARRANGEMENTS

Decide who will sponsor demonstrators in your town, figure your costs, and determine ultimate disposition of houses.

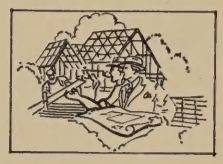
GET AN FHA COMMITMENT

If you are going to use outside financing for your demonstrator make arrangements for your FHA loan in advance. Get a commitment.



BUILD THE DEMONSTRATORS

Go ahead with the houses . . . and be sure that you tell people what you are doing. Advertise . . . use the stories and mats in your kit.



ADVERTISE YOUR DEMONSTRATORS

Advertise your house, or a duplication of it, at unit prices . . . one price for a complete house . . . show people what a little money will buy.

DISPLAY THE HOUSE

Let the people into your house . . . show it . . . display it . . . have some one on hand to explain it to them and give them prices and terms.

TAKE ORDERS

You'll be surprised at the business which results from a good demonstration—be sure YOU are in position to get this business!

WHAT DO DEMONSTRATORS COST?

Your locally built low-cost home demonstrators should be of such character that they can be sold to any purchaser, lot included, within the price range of $2,000–$4,500.

The three small homes illustrated on this page and specifically chosen for this program are estimated by the Federal Housing Administration as follows . . . "B" house $1,950 with basement; "E" house $2,500 to $2,900; "D" house $2,100 to $2,450. (House cost only—See Federal Housing Administration Technical Bulletin Number 4, which is in your kit.)

Remember, to be a really low-cost home your demonstrator should be arranged so that a "top" sales price of no more than $4,500 for both house and lot is possible.

The estimates given above are averages for the whole country. Be sure to recognize the fact that your particular locality may be at one of the extremes of the building cost scale . . . be certain that your demonstrator is a low-cost house for your particular community.

This is "B" house . . . a four room and bath bungalow, size 22′ x 24′ on the foundations. It is perfectly suited to the small family . . . there are two bedrooms. The house may be built with or without basement.

BUILD THESE THREE READY-PREPARED DEMONSTRATION DESIGNS

This is "E" house . . . a two-story, six room house, capable of housing quite a good sized family. There are three bedrooms, a bath, kitchen, living room, and small dining alcove. The foundation size is 22′ x 22′.

- - - These Houses

Because of their simplicity, economy of materials and ease of construction, the three houses illustrated on this page make excellent low-cost home demonstrators.

They are the three houses for which full working drawings, specifications and material lists are being made available to cooperating retail lumber merchants by the sponsors of this nation-wide home demonstration.

The original designs for these houses were published in Federal Housing Administration Technical Bulletin Number 4. The plans and specifications for these houses comply with the requirements of the FHA general offices in Washington and need only to be checked by the local district offices for conformance to their local minimum regulations, plus approval of the building as constructed, and selection of the site.

These houses have been selected for use in the demonstration because they offer a maximum of living space for a minimum cost . . . USE THEM . . . THEY ARE READY-MADE FOR YOU.

YOU MAY SELL YOUR DEMONSTRATOR BEFORE BUILDING

Your local demonstration house need not be a permanent investment on your part unless you so wish. It is a temporary investment leading to a permanent market.

There are many arrangements or plans which can be used for the disposition of exhibit or demonstration homes:

(1) You may make arrangements for the sale of the house *before* construction starts, reserving the right to use such a structure as a display for a stated period.

(2) You may build the house yourself or in cooperation with a local builder or real estate operator and put a price tag on it, and duplications of it, at the time of display.

(3) You may wish to build a demonstrator in some "downtown" public location and after display move it to a purchaser's lot.

This is "D" house . . . a two-story, five room house of two bedrooms, bath, kitchen, living room, and dining alcove. This house also may be built with or without basement. The foundation size is 16′ x 24′.

THINGS YOU WANT TO KNOW

1. WHAT IS THE NATIONAL SMALL HOMES PROGRAM?

— *this is a national program of the Federal Housing Administration to encourage the building of small homes to sell at prices which families in the lower income group can afford to pay.*

2. WHO WILL PARTICIPATE IN THIS SMALL HOMES PROGRAM?

— *building material industries, manufacturers of home equipment, retail stores—in short, all manufacturers and distributors of materials and equipment having a stake in the small homes market.*

3. WHAT WILL BE DONE NATIONALLY TO DEMONSTRATE TO THE AVERAGE AMERICAN FAMILY THAT THE SMALL HOME HAS "ARRIVED"?

— *every known medium of publicity will be used. The Federal Housing Administration proposes to put maximum emphasis during 1937 on demonstrating to the large "mass market" of low income families that a small home properly designed and constructed is within their buying reach.*

The story of Small Homes will be featured in:

— *magazine articles*

— *newspaper articles and advertising*

— *industry and government radio programs*

— *news reel flashes*

— *home shows — home forums — department store exhibits*

— *millions of pieces of literature distributed to the public*

— *talks by speakers at the thousands of national and local meetings and conventions during 1937*

4. WHAT IS LUMBER INDUSTRY'S STAKE?

— *it is conservatively estimated that 6½ billion dollars must be spent to meet the present housing shortage. Lumber's share will be $1,300,000,000. Figure it out for yourself—What is your share?*

5. WHAT IS THE LUMBER INDUSTRY DOING ABOUT IT?

— *you as a lumber dealer are in the front line trenches in this mass drive. The lumber industry aims to demonstrate visually to the public that right now attractive, individual, modern homes are within the reach of the tens of millions who have jobs. This can be done through the building of 3,000 or more small home units as samples in 1,000 or more communities of the United States. This demonstration will be used as the sounding board for the promotion and publicity activities of the lumber manufacturers and retailers associations and of the Federal Housing Administration.*

6. WHAT AM I, A LUMBER DEALER, EXPECTED TO DO?

— *to build or promote the building of one or more low-cost demonstration homes in your community.*

7. WHEN DOES THIS PROGRAM BEGIN?

— *your part in this program begins now. It is expected that the ground for these homes will be broken throughout the United States sufficiently early to permit a simultaneous official opening throughout the country on Saturday afternoon, May 1, at 2:00 o'clock.*

8. IN WHAT WAY WILL MY INDIVIDUAL DEMONSTRATION HOMES PROJECT BE COORDINATED WITH THE NATIONAL PROGRAM?

— *your local small homes demonstration is a fundamental and integral part of this National program. It is expected that you will share in the national publicity. You will be given suggestions and help for capitalizing on this national publicity within your community and to tie into the National program step-by-step as it progresses.*

9. WHAT SHOULD I DO TO GET NEWSPAPER PUBLICITY?

— *you are now provided with two publicity stories for use in your local paper. The editor of your paper already has received directly from Washington and will continue to receive currently news items of national importance.*

QUESTIONS AND ANSWERS

10. WILL THERE BE ANY NATIONAL BROADCASTS?

— yes. There will be a national broadcast the latter part of February which will announce the opening of this project. There will be other national broadcasts, especially on May 1, at which time these houses will be officially opened in each of the participating communities.

11. SHOULD I ARRANGE FOR LOCAL RADIO BROADCASTS ANNOUNCING THE OPENING OF THIS DEMONSTRATION IN OUR TOWN AND AT OTHER APPROPRIATE TIMES DURING THIS DEMONSTRATION?

— yes, through your nearest radio station. The radio gives you an excellent medium for publicizing this project in your community. The radio talk furnished you is simply a suggested radio broadcast announcing the opening of the demonstration. If you need others, write the National Lumber Dealers Association or the National Lumber Manufacturers Association in Washington.

12. WILL THE INTEREST AND PARTICIPATION OF CIVIC GROUPS BE SOUGHT?

— yes. The cooperation of local civic groups gives an effective tie-in to this program. You should try to get your entire community interested, especially through your local organizations.

13. WILL I BE FURNISHED ADVERTISING MATS?

— yes. Advertising mats and suggested copy are to be made available to participating lumber dealers. This copy is adaptable and may be changed. Please advise the Joint Retail Service of the NLDA and the NLMA of your advertising program at the earliest practicable date. You will be given the help you need.

14. WHAT IS EXPECTED TO BE ACCOMPLISHED BY THIS PROGRAM?

— a greatly enlarged market for building materials will be developed in each community where low-cost demonstrators are built.

15. WHO ARE THE SPONSORS OF THE THOUSAND DEMONSTRATION HOMES PROGRAM?

— the lumber industry, which has more at stake and stands to profit more than any other building materials group, is sponsoring this national small homes demonstration movement through the National Lumber Manufacturers Association and the National Lumber Dealers Association and their affiliated associations.

16. WHAT COSTS TO DEALERS ARE INVOLVED?

— there are NO dues, fees, or any other charges to be paid by any participant in the program. Each dealer must arrange for the financing of his own demonstration houses. No permanent investment is required. After being used as demonstrators, the houses can always be sold at a profit. Initial investment can be cut by arranging a construction loan before the house is started.

17. WHERE CAN PLANS OF THESE HOUSES BE SECURED?

— sample plans, including a material list and an outline specification, will be furnished by the sponsors of this program to any lumber merchant who indicates his intention of building a demonstration house.

18. WHAT DO THESE HOUSES COST?

— for FHA estimates of the cost of building these houses, please refer to page 9 of this booklet. Many houses have been built from these plans during the past summer, which bear out the accuracy of these estimates.

19. WHO IS EXPECTED TO DO THE BUILDING?

— any lumber dealer may erect the exhibit houses himself, although it is not necessary for him to go into the building business unless he wishes ... ..the program will be just as effective and help sell lumber and materials if arrangements are made by the dealers for his builders, or carpenter contractors, to undertake the exhibit. However, the dealer should develop the idea.

— *it is possible you may want to make a sort of co-operative, partnership arrangement with several tradesmen in your city, or if there are active real estate and subdivision operators in your community, you may wish to work the promotional exhibit through them.*

— *no hard and fast rules have been set as to who shall actually operate the exhibit . . . local circumstances and conditions will best indicate detailed methods, which are for you to decide.*

20. HOW SHOULD ONE GO ABOUT BUILDING THESE HOUSES?

— *if the lumberman wishes to share in this demonstration and will so indicate his intention by returning the form included in this book, he will be furnished a kit of full information.*

21. WHAT DOES THIS KIT INCLUDE?

(a) sample plans of one or all three houses, "B", "D", and "E".

(b) outline specifications.

(c) bill of materials.

(d) prepared stories for release to local papers by participating lumbermen.

(e) prepared radio talks.

(f) mats illustrating the houses, together with suggested advertising, for use by lumbermen in their local papers.

(g) contract documents in FHA Technical Bulletins No. 3 and 4, which lumbermen can use in making their contracts with sub-contractors.

22. ARE THERE SPECIAL REQUIREMENTS AS TO THE TYPE, KIND AND QUALITY OF MATERIALS TO BE USED IN THESE HOUSES?

— *the minimum requirements of the FHA District in which the houses are to be built must be followed, but otherwise the lumberman has a free choice. Stock materials may be used throughout.*

23. MUST I BUILD THESE PARTICULAR HOUSES?

— *for maximum effectiveness in this nation-wide campaign, it is desirable that those participating use these houses. It will have a greater influence in stimulating a nation-wide interest if conspicuous variations from these designs are not made. It will tie in most effectively with national publicity, radio broadcasts, and the like. But the designs are intended to be basic designs only—adaptations and variations may be made if they do not "promote" these houses out of the low-cost range.*

24. MUST I BUILD ALL THREE?

— *for maximum effectiveness in the local community it is well to have the three different houses in order to cover a bigger proportion of the requirements of potential owners who are not now provided with housing accommodations. If one house only is chosen, it will give the impression to the general public that only that house is available. It may be too small or too large for their requirements.*

25. WHERE DO I ARRANGE FOR AN FHA LOAN?

— *through your regularly established channels, from banks, building and loan, and established lending agencies approved by FHA.*

26. HOW DO I GET FHA APPROVAL OF THESE LOANS?

— *inquire of the District Office having jurisdiction. The sample plans and specifications supplied conform with the requirements of the FHA general offices in Washington. Before property is selected or any arrangements are made for the erection of the houses, it is advisable to discuss the problem of their construction and location with the local Federal Housing Administration insuring office to assure that it will conform to all requirements and be eligible for mortgage insurance.*

27. HOW MANY SETS OF PLANS DO I RECEIVE?

— *one set, free. Write to the National Lumber Dealers Association, Union Trust Bldg., Washington, D. C., for additional copies, which will be supplied you at a nominal charge of 25 cents a set. (Plans are for use in building demonstration houses only.)*

28. DO THE SAMPLE PLANS CONFORM TO ALL BUILDING CODE REQUIREMENTS?

— *because of variations in local building laws the plans should be submitted to your building department and such changes as are required made before contract is let.*

SIGN THIS !

Get Your KIT NOW

YOUR KIT
Which Gives You the Material You Need to Participate in the 1937 National Small Homes Demonstration and Exhibit in Your Community.
☆ ☆ ☆
This material is furnished by the National Lumber Manufacturers Association and the National Lumber Dealers Association to help retail lumbermen demonstrate the possibilities of Home Building in the $2500—$4000 price class.
CONTENTS
1. Three Sets House Plans (F. H. A. Designs B, D, E)
2. One Material List for Each House
3. One Set Specifications
4. Mats (Illustrating Each House (For Newspaper Advertising)
5. Publicity Stories For Your Paper (Ready-written public information)
6. Radio Talk
7. One Suggestion and Instruction book
8. Participation Statement
9. Material Request Blank
Joint Retail Service
NATIONAL LUMBER MANUFACTURERS ASSOCIATION
1337 CONNECTICUT AVE., N. W., WASHINGTON, D. C.
NATIONAL LUMBER DEALERS ASSOCIATION
UNION TRUST BUILDING, WASHINGTON, D. C.

order from

NATIONAL LUMBER MFGRS. ASSN.
1337 CONNECTICUT AVE. N. W.
WASHINGTON, D. C.

NATIONAL LUMBER DEALERS ASSN.
UNION TRUST BLDG.
WASHINGTON, D. C.

UNCLE SAM *is your partner*

in this deal - - - -

The Insured Mortgage System of the Federal Housing Administration today makes it possible for families of moderate income to aspire to home ownership. It brings to millions credit resources heretofore almost unavailable. New mass purchasing power is at last entering the housing market.

Never have lumber dealers been offered so rich a market as that inaugurated by the 1937 Demonstration Small House Program.